

12-14-09

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

PUBLIC UTILITIES
COMMISSION

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FILED

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PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to Investigate the)
Implementation of Feed-in Tariffs)
_____)
)

PUC Docket No. 2008-0273

HAWAII RENEWABLE ENERGY ALLIANCE'S COMMENTS

ON THE

PROPOSED INDEPENDENT OBERVER CONTRACT

FILED BY THE HECO COMPANIES

AND

CERTIFICATE OF SERVICE

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BEFORE THE PUBLIC UTILITIES COMMISSION
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In accordance with schedule for the instant docket as amended and approved by the Commission in its Decision and Order, dated October 29, 2009, the Hawaii Renewable Energy Alliance ("HREA") respectfully submits the following comments for consideration by the Commission as it reviews the HECO Companies' Proposed Independent Observer ("IO") Contract, filed by the HECO Companies on December 7, 2009.

Evaluation and Selection Process

1. Since HREA does not have access to the evaluation and selection criteria that the HECO Companies, we cannot comment on the efficacy of the selection of the Accion Group for the contract award.
2. In addition, we find it interesting that the HECO Companies make no comments as to why the Accion Group was selected for the award.

Proposed IO Contract

1. HREA is concerned that there are no details in the Scope of Work. For example, there is not a work breakdown structure showing the specific tasks that are to be performed by the Accion Group, including the number of hours and proposed expenses per each of the key personnel on each task, and the list of deliverables.
2. Referencing Section II (Compensation), we are also concerned that there does not appear to be any connection between the Accion Group's ability to invoice and submittal and approval of the deliverables.

3. HREA questions whether the contract amount of \$120,000 over a two year period is sufficient for the Accion Group to perform as the IO. Specifically, given that labor rates are from \$85/hr to \$325/hr, the effective labor expenditures would be on the order of 4 to 14 hours a week. However, if travel to the islands is required, travel expenses could easily be \$18,000 a year (assuming six person-trips a year and \$3,000 per person). Subtracting the travel expenses of \$36,000, that would leave a \$84,000 labor budget for two years. Given that, the effective labor expenditure would be 2 to 10 hours a week.
4. Regarding the \$45,000 budgeted for "Website Services," there does not appear to be any specification of requirements and deliverables. For example:
 - a. Is the Accion Group to develop a website for the Queuing Process, and
 - b. Will the web-site:
 - i. be standalone or an "add-on" the HECO Companies websites,
 - ii. include a detailed description of the FiT program including an overall timeline for the applications process, program limits, etc.,
 - iii. allow active interaction (e.g., on-line Q&A between web-site viewers and the HECO Companies regarding the FiT Program), and
 - iv. include an updated list of FiT project applicants describing the project location, project type, capacity in kW and status of the applications and installations (as appropriate).
5. Regarding the "Performance Standards and Warranty" (Section V) and "Termination for Cause" (Section IX), given the general nature of the proposed Scope of Work (refer back to comment "1." above), HREA questions how the HECO Companies would be able to evaluate the performance of the Accion Group as IO and initiate a termination for cause action.

Additional Comments

Reference page 4 our November 18, 2009 filing of our comments on the "Independent Observer List":

1. While not specifically required in the Commission's Interim Decision & Order, HREA recommends that the Commission direct the HECO Companies to expand the IO's Scope of work to include oversight of the tariff design and rate setting process and development of reliability standards.
2. We believe these additions to the Scope of Work would help facilitate the overall FIT design and implementation process.

HREA thanks the Commission for this opportunity to provide our comments on the HECO Companies' Proposed Independent Observer Contract.

DATED: December 14, 2009, Honolulu, Hawaii

A handwritten signature in black ink, appearing to read "Mark A. Bellows", is written over a solid horizontal line.

CERTIFICATE OF SERVICE

The foregoing HREA Comments were served on the date of filing by Hand Delivery or by email to each such Party as follows.

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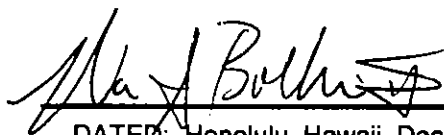
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DATED: Honolulu, Hawaii, December 14, 2009